

January 31, 2005

Ex Parte: In the Matter of Developing a Unified Inter-carrier Compensation Regime,
CC Docket No. 01-92

The Commission should not take a "piecemeal" approach to inter-carrier compensation.

Short-term interim solutions should rely upon refinements of existing mechanisms. It does not make sense to adopt new approaches that will require new rules in advance of deciding the larger inter-carrier compensation (ICC) questions in a comprehensive proceeding. New templates should be addressed in a FNPRM and considered in the context of all inter-carrier compensation issues.

Specific Concerns

1. Adoption of certain actions recommended by the Wireline Competition Bureau in advance of gathering a full record through a FNPRM in the Inter-carrier Compensation proceeding is premature and could cause harm to overall ICC policy. Interim rules under consideration will result in fundamental changes in long standing obligations.
2. The creation of a single "point of interconnection" (POI) per Local Access Transport Area (LATA) will predetermine fundamental elements of ICC reform. The wrong decision on this issue will have destructive implications for the provision of universal service.
3. The FCC should not make significant changes in interconnection policy without a notice of proposed rulemaking and the concomitant due process. Changes adopted through piecemeal decisions on petitions lead to confused, inconsistent policy and deny due process rights.
4. When considering new inter-carrier compensation rules, which have a significant economic impact on a substantial number of small entities, such as rural telephone companies, the Regulatory Flexibility Act (RFA) requires the FCC to consider alternative rules that will impact small entities in a less burdensome way. See 5 U.S.C. §601. The FCC should not adopt new piecemeal rules without a public notice seeking comment on the new rules. The specific proposed rules the FCC is rumored to be considering will have a different impact on small rural telephone companies versus large regional bell holding companies (RBOCs). The FCC has not sought public comment on the impact of these rules on small entities as it is required by the RFA.